

MR. K. GEORGE (*Chief Secretary to Government*): (1) The Village Panchayat Bill was passed at the meeting of the Legislative Council held on 13th February 1925/2nd Kumbham 1100, and it became law on the 1st Chingam 1101.

(2) and (3) Rules have first to be framed under Section 62 of the Regulation, before the Regulation can be brought into force. The draft rules framed by the Additional Head Sirkar Vakil have been received and are being examined.

Provision for the care of Lepers, etc.

128. **MR. C. P. THOMAS** (*Nominated*): Will the Government be pleased to take early steps for making more adequate provision for the care of lepers, incurables, the maimed and the utterly indigent section of the population in the State?

MR. P. N. KRISHNA PILLAI (*Secretary to Government*): The question will be examined.

MOTION FOR ADJOURNMENT OF THE DEBATE.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Sir, I have a motion for the adjournment of the business of the House.

PRESIDENT: I have just received a note from Mr. K. P. Nilakanta Pillai in which he begs leave to make a motion "for the adjournment of the business of the House for the purpose of discussing a definite matter of urgent public importance, viz., the situation created by the unwarranted and unworthy aspersions cast on the public men of the State by the speech which the President thought fit to deliver last evening in winding up the debate about the assignment of lands to non-Travancoreans and the sneering and discourteous tone in which the President referred to the successful public agitation that was carried on against Mr. Watts' Brooke Bond Scheme."

To begin with, I am not aware of any situation having been created. Secondly, the statement is vague and is not a definite matter of urgent public importance. In the third place, it is a thing of the past and therefore it does not come within the purview of the rule permitting the adjournment of the business of the House. I am therefore unable to allow the discussion of the motion.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): In that case, Sir, would any event which took place yesterday be considered a matter of urgent public importance?

PRESIDENT: It all depends upon the circumstances of the case.

VOTING OF DEMANDS FOR GRANTS—(Contd.)

DEMAND IV—INCOME-TAX—RS. '32 LAKH.

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Sir, I move for a grant not exceeding Rs. '32 lakh under Demand IV—Income Tax.

Motion 178.

MR. T. KUMARA PILLAI (*Kalkulam cum Vilavankod*): I beg to move the following motion:—

178. *To reduce the allotment of Rs. 5,412 for establishment of the Special Income Tax Collector's Office by Rs. 660.*

ഇതിൽ ഒരുപിശകു കാണുന്നുണ്ട്. അത് ഞാൻ എഴുതിത്തന്നതിൽ ഉള്ളതാണോ എന്ന് എനിക്കു സംശയമുണ്ട്. ൩൦ മുതൽ ൪൦ വരെ എന്നുള്ളത് ൨൦ മുതൽ ൪൦ വരെ എന്നാണ് ഞാൻ ഉദ്ദേശിച്ചത്.

MR. V. SUBBA AIYAR (*Nominated*) (*Deputy President*): Sir, I rise to a point of order. I think the subsequent motion to omit the whole amount should come up first. I suppose motion No. 178 refers to the reduction of the proposed establishment. I believe the subsequent motion which is to omit the whole allotment of Rs. 5,412, should be taken up first. If that is carried, this cannot come at all.

PRESIDENT: The whole must go before the part.

MR. T. KUMARA PILLAI (*Kalkulam cum Vilavankod*): Yes, I will wait.

Motion 179.

The following motion was deemed not to have been moved as the member was absent:—

MR. A. J. JOHN:

179. *To omit the allotment of Rs. 5,412 for establishment of the special Income Tax Collector's Office.*

Motion 180.

The following motion was not moved:—

MR. KALLUR NARAYANA PILLAI:

180. *To omit the allotment of Rs. 5,412 for establishment of the special Income Tax Collector's Office.*

Motion 181.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Sir, I beg to move the following motion:—

181. *To omit the allotment of Rs. 5,412 for the establishment of the Special Income Tax Officer.*

Sir, the object of my motion is to suggest that there is no necessity for the appointment of the new officer (Mr. K. George: *Louder, please.*) It is for the purpose of showing that there is no need for the appointment of the new officer that I have brought this motion. I went through the Administration Report of this department for the last year, but did not find anything there to suggest that the department is being worked inefficiently for want of such an officer. I was therefore led to believe that there is no necessity for such an officer. I shall at present be satisfied by making this remark and whatever I have to supplement, I shall state after hearing the explanation from the Land Revenue and Income Tax Commissioner.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Is that permissible, Sir? Unless the mover sets forth his reasons, how is the official member to answer?

MR. K. I. JOSEPH (*Minachil cum Devicolam*): I have set forth the main reason. I believe Mr. Narayana Pillai also understands it.

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Sir, the net revenue under income tax has been fluctuating since the Income Tax Regulation, VIII of 1096, came into force. While there was a steady increase in the income from Rs. 4,17,983 in 1097 to Rs. 7,89,272 in 1100, there was a marked fall in 1101 in which the income was only Rs. 5,10,500. Although this fall is due, to some extent, to certain special reasons in the year, it is also attributable, partly at least, to the heavy work of the Division Assistants and Dewan Peishkars. The major portion of the income is derived from the assesseees subject to the original jurisdiction of these officers. But the latter could hardly find the time and convenience to devote adequate attention to income tax work amidst their multifarious duties under revenue, magistracy and miscellaneous. The examination of the account books of the assesseees is now done by low-paid subordinates subject to the scrutiny of the officers.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): Will the Special Income Tax Officer himself go through all the items in the account books?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Yes.

But now the officers do not find sufficient time to make their scrutiny thorough or effective. A proper agency to check this item of work is necessary in the interests alike of the assesseees and the Government. In Mysore, the work of assessing persons in the cities of Bangalore and Mysore is done by a special officer of the grade of a Deputy Commissioner assisted by an adequate staff. In British India, the Income Tax Department has been separated from the Land Revenue Department in some districts as an experimental measure and is managed by a separate set of officers distinct from Collectors. In Travancore also, there was a proposal in the early stages of the working of the Income Tax Regulation to appoint a special Income Tax Collector to assess the incomes of persons residing in the major municipal towns of Nagercoil, Trivandrum, Quilon, Alleppey, Kottayam and Changanachery, but the proposal was deferred then and it was decided to watch how far the existing arrangement would work. The Government now feel that the time has come for making special arrangements for the assessment of the incomes of persons residing in these municipal towns. There have also been suggestions in the Legislative Council for the appointment of two or three Special Assistants to the Income Tax Commissioner with the necessary aptitude and experience in handling accounts.

It is therefore proposed to appoint a Special Income Tax Collector tentatively for a period of one year, on Rs. 500 per mensem, with jurisdiction over the towns of Nagercoil, Trivandrum, Quilon, Alleppey, Kottayam and Changanachery. The original assessment work now done by the Dewan Peishkars and their Assistants in these towns will be entrusted to the Special Officer. He will also assess the incomes of all companies and firms, both foreign and local, carrying on business in

[Mr. R. Krishna Pillai.]

Travancore. According to the figures of 1101, the number of assesseees of the Special Income Tax Collector will be 1095 (95 companies and firms and 1000 individuals) and the assessment will be Rs. 5,14,805. The total number of assesseees in the State in 1101 was 2,290 and the assessment Rs. 7,49,581. Appeals from the decisions of the Special Officer will lie to the Income Tax Commissioner. Division Assistants and Tahsildars will be independent of the Special Officer and appeals against their decisions will be disposed of by the Dewan Peishkars and Division Assistants respectively as at present.

It is proposed to give the following staff to the Special Officer :—

- One Auditor on Rs. 100-5/1-125 ;
- One Head Clerk on Rs. 75-5/1-100 ;
- Six Clerks on Rs. 40-5/2-70 each ;
- One Typist on Rs. 20-3/2-35 ;
- One Daffadar on Rs. 12 ; and
- Five Peons on Rs. 9-1/6-11 each.

In the last Budget Session of the Legislative Council, two clerks on Rs. 40-5/2-70 were sanctioned—one each for the offices of the Division Assistants of Trivandrum and Alleppey. These clerks will be transferred for work under the Special Officer and only 4 clerks in that scale will be newly entertained.

The average annual cost of the proposed scheme is Rs. 12,206 per annum, excluding contingencies and travelling allowance.

The scheme, as already stated, will be tentative for a year and will be given effect to from the 1st Chingam 1103.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): Is it not sufficient to appoint a Collector of the status and pay of the Division Assistant for this purpose?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): I don't think so. An officer on a pay of Rs. 500 is considered necessary.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): In the light of this appointment, is it not likely that some of the clerks who are attending to this business in other offices will be relieved?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): There are only three clerks.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): Would not some of them be relieved?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): No.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): Are there not special clerks attending to this work in the Division offices?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Only one clerk in each of the Division cutcherries.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): Cannot these clerks be taken?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): No.

MR. V. SUBBA AIYAR (*Nominated*) (*Deputy President*): What is the extent of the original jurisdiction of the Division Assistants in the matter of dealing with Income Tax cases?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): From three to ten thousand rupees.

MR. L. A. LAMPARD (*Planters*): I rise to oppose the motion and to support the Government. I am quite sure that all the companies and a large number of individuals in the State would welcome the appointment of the Special Income Tax Officer. The work is really now too much for the Land Revenue Commissioner to attend to. The Income Tax Act is a very intricate matter to study and I may say, without casting any aspersions upon the Travancore officials, that income tax matters are more promptly settled in British India as compared with Travancore. The sole reason is that there are special income tax officers in British India who are always willing to attend to the work and to answer our questions very promptly.

As regards Mr. Joseph's remark that he cannot see any deficiency in the present arrangement, I know of one case which has been standing over for two years and which has not been settled at all.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): What is the nature of that case? Is it a case of looking over the accounts?

MR. L. A. LAMPARD (*Planters*): It is a question of principle, it is a question of depreciation.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): May I know whether it is a matter coming under the sphere of the Special Officer?

MR. L. A. LAMPARD (*Planters*): Certainly, it comes under the sphere of the Special Officer. At present, it comes under the sphere of the Land Revenue Commissioner.

There are other cases which are also important and which are pending and they require an expert to settle them.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): Even under the proposed arrangement, the Land Revenue and Income Tax Commissioner has to attend to such cases.

MR. L. A. LAMPARD (*Planters*): I understand that a separate collector would be able to settle these matters very easily.

I oppose the motion.

MR. V. SUBBA AIYAR (*Nominated*) (*Deputy President*): Sir, I also beg to oppose the motion for this reason that the Income Tax Regulation is a very difficult Regulation for ordinary people to understand and unless a man specialised in it is appointed, it is not possible for him to know what should be allowed and what should not be allowed. Many of the Collectors, including the Dewan Peishkars, have not, as the learned Land Revenue and Income Tax Commissioner pointed out, the necessary

[Mr. V. Subba Aiyar.]

time to dispose of such cases, much less to learn the intricacies of the Law of Income Tax, and if there is a special officer with some experience and training in the matter, it will be to the great advantage of the assesseees. I have known as a matter of fact of complaints from leading firms that their books are not properly scrutinised and, as the learned Land Revenue and Income Tax Commissioner pointed out, it is done by low paid subordinates, with the result that it is considerably long delayed and ill done. Therefore it is I say that a Special Officer is absolutely necessary for this purpose.

Mr. K. I. Joseph suggested the appointment of an officer of the status of the Division Assistant. The Division Assistants have original jurisdiction only up to the sum of Rs. 10,000. Therefore in cases where the amount may be above Rs. 10,000 we find that it is beyond the original jurisdiction of the Assistant and within the jurisdiction of the Peishkar. Therefore we are not in any way lessening the duties of the Dewan Peishkar. What I say is that the Special Officer should be one who has no limit of jurisdiction and who is capable of understanding law and accounts. I have therefore great pleasure in opposing the motion before the House.

MR. K. MADHAVAN PILLAI (*Trivandrum cum Neduvangad*): I also rise to oppose the motion of Mr. Joseph. The first thing I would try to point out is that it is the only tax imposed by the Government at the request of the people. It therefore behoves this Council to see that the tax imposed at the people's request is levied in a proper manner. The tax must be levied properly, the cost of collection must be cheap and the method of collection ought not to obstruct business or to cause annoyance to the people. The duties now carried on by the Land Revenue Department are not properly done. In the case of income tax, I am afraid that if that duty is left with the department, it is likely that the tax will be brought into disrepute. We saw that minor irrigation was neglected; we saw that the economic condition of the people was neglected; we saw that markets were neglected; and we also saw that vital statistics were not cared for. In so many important matters, therefore, which concern the welfare of the people, the Land Revenue Department has not been doing its work satisfactorily. As regards the work that they are doing now, I may say that, out of 44,759 *pattas* to be issued, they left 29,662 undisposed. Under land compensation, nearly a lakh of rupees was left outstanding against the Government. 11,712 Pokku-varavu cases were left undisposed of and 22,011 Revenue cases are still pending decision.

Such being the case, the important duty of the collection of income tax must necessarily be put on the shoulders of some other agency which will be more efficient. I therefore oppose the motion.

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): I also rise to oppose the motion. Mr. Subba Aiyar himself, the very same gentleman who brought up the Regulation for the first time in the Council and got it passed, has admitted before this House that it is a

very difficult Regulation for others to understand and I am aware that a good number of Tahsildars have not really understood the meaning of the several Sections of the Regulation. Even the Dewan Peishkars, I understand, have sometimes received instruction from their own clerks regarding the interpretation of the several Sections. In taluk offices also, where Tahsildars are doing the work, they receive instructions from the clerks.

When it is said that it is a very difficult Regulation for even vakils to understand, we can know more or less what the nature of interpretation the taluk officers will be able to put upon it. And I need not say that very many difficulties are met with in interpreting the several Sections of this Regulation in the course of levying taxes on income.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Is there not a provision for making a reference to the High Court whenever it is found necessary?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): That will be seldom done, because a reference will take time and there are other difficulties and the subordinate officers may also think it below their dignity to make the reference. It is upon the consistent and persistent representations made by the people of the State that such a Regulation had to be introduced in the State, and I am not going to dwell upon the reasons which weighed with us in passing the same. It was introduced so far back as 1096 or so, and the Land Revenue Commissioner has just now stated that there was a heavy fall under this head in 1101.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Is he aware that the fall is due to a recent decision of the Full Bench of the High Court?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): I am going to state the reason. Probably, the department concerned has found the necessity of appointing a special officer to acquire special knowledge about the Regulation and carry on the work separately. It will be seen from the budget that it is only an attempt that is made by the Government to have separate staff provided for only one year. Probably, they want to examine the working of the Regulation. They want to examine whether more satisfactory results could be achieved by the appointment of a special officer. It has also been said that the Dewan Peishkars are overburdened with work, and that has been referred to by Mr. Madhavan Pillai also.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I know whether the member is aware of the notification in the Government Gazette in 1097 which contains reasons for the appointment of the Land Revenue Commissioner?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): I am not aware of that notification at all. I know that a Land Revenue Commissioner was appointed, who is also called the Income Tax Commissioner.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Is the member aware that some of the members of this House are of opinion that the Division Peishkars have not got sufficient work and that their posts should be abolished?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): I am also aware of other circumstances.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Is he aware of this? That is the question.

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): I am also aware of the circumstance that the Dewan Peishkars are not able to find sufficient time to attend to all the work entrusted to them. As was rightly pointed out by Mr. Madhavan Pillai and as could be seen from the Administration Report, the Peishkars could not find it possible to show any perceptible improvement in the work of irrigation, the work connected with the markets, etc.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Is he not aware that Mr. Kallur Narayana Pillai has sent a cut motion for the abolition of the posts of Dewan Peishkars?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): That is the point to be urged. Then it should be our object to see that the duties of the Dewan Peishkar are taken away one by one, so that we may ultimately find out proper reasons to see that the post of Dewan Peishkar is not necessary for the State.

MR. M. SIVATANU PILLAI (*Tovala*): Is it the argument of the member that because the Dewan Peishkars are overburdened with multifarious duties, the proposed appointment is necessary?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): That is not the argument that I advance for opposing the motion. Now that I am asked the question, I had to touch upon that point.

MR. M. SIVATANU PILLAI (*Tovala*): May I know whether the grounds that he urges warrant the appointment of the special staff?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): That is evident from the footnote given in the budget. It is said that the department is not now in a position to collect the income tax from certain institutions in municipalities and from some commercial concerns and business concerns like firms and factories. The present incumbent does not find it easy or does not find time to devote particular attention to the collection of income tax from those institutions.

MR. M. SIVATANU PILLAI (*Tovala*): Is the member aware that the institutions referred to are already assessed to professional tax by the municipalities?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): It is all a matter of detail. I am not a municipal councillor and as such I do not know the details of the working of the municipal councils.

MR. M. SIVATANU PILLAI (*Tovala*): Am I to understand that the member is not posted with facts?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): It is enough if the member takes pains to give all the information he has in his speech.

MR. M. SIVATANU PILLAI (*Tovala*): Is he not posted with facts? And is it not necessary to be posted with facts before the member comes to a conclusion?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): I am not a municipal councillor. I have no municipality in my place.

MR. A. K. PILLAI (*Karunagapalli*): I think the member knows that the appointment is going to be made and the income tax is going to be collected from the major municipalities. I suppose he is aware of that.

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): These are matters of detail.

MR. A. K. PILLAI (*Karunagapalli*): Is not the member sure for what purpose the new office is going to be created and yet is he supporting the motion?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): I am not quite sure because the budget does not specifically mention all that.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Did he not hear the speech of the Land Revenue Commissioner?

MR. A. K. PILLAI (*Karunagapalli*): May I refer the member to the speech of the Financial Secretary where he says?

"Our proposals for the year includes the appointment of a separate collector of income tax under the Commissioner who will deal with the more important municipal areas and with the taxation of business profits of all companies and firms doing business in the State."

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnattur*): By that, I don't understand that he is going to levy tax in municipal areas and all that.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Sir, I am rising to drive another nail into the coffin of this motion of Mr. Joseph. Sir, the administration of the income tax is rather a difficult and technical task. And I fear that, ever since the provision for the realisation of income tax was made in Travancore, we have not moved much forward in the matter of developing that revenue. It is, as has been pointed out, probably the only tax which was demanded by the people themselves. And nobody can legitimately complain of the income tax since it is the rich men that get hit under it. Being a rich man's tax and being the main source of revenue elsewhere, especially in England, the attempt of the rich man has been to find out means to avoid the payment of the income tax. How to avoid the payment of the income tax is one of the main directions in which the ingenuity of the rich men is employed. Though we have not reached that stage, yet we have got the problem because it has become a keen necessity elsewhere. It is a technical subject.

MR. M. SIVATANU PILLAI (*Torcla*): Does he think that our country compares very well with England in the matter of commercial enterprise, etc.?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Far from it.

MR. W. H. PITT (*Commissioner of Police*): Does the statement in respect of the evasion of payment of income tax refer to the average person in England?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I have seen a treatise on "How to avoid payment of Income Tax".

MR. W. H. PITT (*Commissioner of Police*): Does he mean by that that the average person in England avoids payment of the tax? It may be a lawyer who wrote the book.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): With respect to that, all people may not be found to evade the payment of the tax. There may be some people, otherwise, there might have been no need for the publication of a book of that description.

MR. W. H. PITT (*Commissioner of Police*): Then, the member cannot say "generally".

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I did not say "generally". There may be some persons who evidently want to avoid payment of tax. Otherwise, this publication would not have come into existence.

So, being a technical subject, and more allied to the administration of law in some respects, how it has been fused along with the collection of land revenue, I fail to understand.

MR. M. SIVATANU PILLAI (*Torcla*): May I know how it is a technical subject?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): It requires constant application of the rules to find out the sources of revenue. Then, with respect to the extent of the revenue, one must always be on the move to ascertain the income earned by each person. That is the basis of the tax. That certainly is a fluctuating thing not generally known to the public. Under these circumstances, it is practically a technical subject in itself and not like the land revenue where things are perfectly settled under the *patta*. The registers of Government would indicate the land revenue, but in the case of income tax, the amount of income will be fluctuating and may be known vaguely or may not be known.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Does he suggest that a person specially trained should be appointed for the purpose?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Quite so. And, therefore, when this matter was mooted in the Finance Committee, I thought that a person with a special knowledge of the subject would be an acquisition for the working of the Regulation. It was on that

basis that we allowed the special officer now demanded by the Government and provided for in the budget. In British India, the Income Tax Act is constantly amended. But in Travancore we are working practically the old Regulation without any additional alterations.

MR. M. SIVATANU PILLAI (*Tovala*): Is it not sufficient if the existing Inspectors are trained to do the work?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): No, it is not sufficient. For, being a matter in which the rich man is concerned, the special officer must be a person who, to all appearance at least, must be above temptation. He must be a respectable officer. And his functions being generally to deal with rich men, there must be the confidence of the public in the doings of the functionary. Practically, this is an experimental thing that is now suggested by the Government, and I would submit that the experiment is worth making, especially when there is a cry in favour of prohibition and when the abkari revenue is thus being threatened, and the Government should be on the look out to find other means to augment the revenues of the State, one of such lines being mainly income tax. Mr. Joseph is rather particular that the abkari revenue should go down. He is a zealous worker in the field of prohibition. And if such a person will not allow the income tax to be developed, it is rather a paradoxical situation.

MR. M. SIVATANU PILLAI (*Tovala*): Is it the argument of the member that the revenue obtained from income tax does not seem to progress year by year?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): That is also my argument though I have not given expression to it.

MR. M. SIVATANU PILLAI (*Tovala*): May I then have figures from him for the previous years?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): They are not before me now. He may have them more conveniently.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): I did not say that the revenue from income tax should be reduced. I really wish to see it increased and that is one reason why I say that the proposed pay of the Special Officer should be omitted.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I am very glad to hear that. Therefore, the best way to increase the revenue under this head is to depute a person qualified to do it.

MR. M. SIVATANU PILLAI (*Tovala*): Is he aware that the revenue under income tax has far exceeded the expectation made in the budget for 1102?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): If that information is already available to him, I do not understand why he should ask me the question.

MR. M. SIVATANU PILLAI (*Tovala*): Am I to understand that it is due to the defective system of working as obtaining at present?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): It is impossible to say that there is defective work. Before you say that there is defective work, the extent of the income tax actually to be collected must be clear. That is not available. If that figure is before the officer, he would certainly be able to gather the entire tax.

MR. M. SIVATANU PILLAI (*Tovala*): Is there no objection to the officer working without understanding beforehand that there is a defect or not?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): There is reason to suspect that there is faulty working.

MR. M. SIVATANU PILLAI (*Tovala*): May I then have the reason?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): The reason being that according to the general information gained, which cannot be proved as in a court of law, some people are escaping the income tax liability. Some people are not taxed properly. The extent of their incomes is not properly estimated. Accounts are not properly checked. These are the grounds upon which it is apprehended that there are leakage and inaccuracies in the matter of income tax revenue. These reasons are not investigated as in a court of law. It is therefore, as a matter of experiment, that the measure is going to be tried. So, I say an attempt on the part of the Government to provide for a special officer is quite in the right direction, and the position of Mr. Joseph is not quite acceptable.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): Sir, Mr. P. K. Narayana Pillai was unable to convince Mr. Sivatanu Pillai that the working is defective. I will read what Mr. Robinson said:

"The firm accounts are very complicated and unless a man has had some experience in commercial book-keeping, it is not possible for him to check the accounts".

He also said---

"The present work is done in a slipshod way and it is not possible for the auditor to check the accounts."

He further said---

"We want experienced men in each office to go through these accounts not only relating to big firms but also relating to small firms. If this is done, it will result in very great satisfaction to the Government and to the assesses. We have also been receiving many complaints from the merchants and others because their books are kept in the Dewan Peishkar's office for a long time now. The men at present attending to this work are overworked. And not only that, we want experienced men."

MR. M. SIVATANU PILLAI (*Tovala*): Could not the Government satisfy themselves by getting the Income Tax Inspectors trained in book-keeping and other subjects?

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): By all means. Only, it will take some time. Delaying justice means denying justice.

MR. M. SIVATANU PILLAI (*Tovala*): How does the member make out a case for the appointment of a special staff for the municipalities alone?

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): I am not saying for the municipalities alone. As a matter of fact, the special officer is to deal with the taxation of business profits of all companies and firms carrying on business in the State.

MR. M. SIVATANU PILLAI (*Tovala*): Does the member know that a staff is working under the municipalities?

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): Yes, Sir, that is because they have work there.

MR. A. K. PILLAI (*Karunagapalli*): Mr. Robinson in his speech referred not only to the big firms but the small firms also. Cannot the officer appointed go from big firms to small firms?

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): By all means.

MR. M. SIVATANU PILLAI (*Tovala*): Is he aware that, in the major municipalities, professional tax is collected?

MR. C. P. KOCHUKUNJU PILLAI (*Kottarakara cum Kunnathur*): I rise to a point of order. The members are addressing each other and putting questions facing each other.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): Sir, it is a right of the members to put questions in order to elicit information. We are addressing through the President.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Can they not face each other?

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): Exactly; I do not know what objection Mr. Kochukunju Pillai has in the members facing each other. However, Sir, as has been already pointed out, there has been a lot of complaints from merchants and others, and representations have been made in the Assembly on many occasions to the effect that the assessment is made in a slipshod fashion and that great hardship is felt by merchants and others. I think the appointment of a sympathetic special officer who is trained in book-keeping and commercial subjects will help the merchants and others to a very great extent. I therefore oppose the motion of Mr. Joseph very strongly.

MR. TARIATU KUNJITOMMAN (*Muvattupuzha cum Todupuzha*): ഞാൻ ഉപക്ഷേപത്തെ അനുകൂലിക്കുന്നു. ഉദ്യോഗസ്ഥന്മാരുടെ ശമ്പളവും പടിയുമായി രാജ്യത്തിലെ മുതലൈപ്പിൽ പകുതിയോളം വരുന്ന തുക ചിലവായിക്കൊണ്ടിരിക്കുന്നു. ഉദ്യോഗസ്ഥന്മാരുടെ ശമ്പളവും അനാവശ്യമായ ഉദ്യോഗങ്ങളും കുറയ്ക്കണമെന്നും ഉദ്യോഗങ്ങളെ പുതുതായി സൃഷ്ടിക്കരുതെന്നും ഉള്ള വാദങ്ങൾ നിയമസഭയുടെ ബഡ്ജറ്റുയോഗങ്ങളിലും മറ്റു പല യോഗങ്ങളിലും നടക്കുന്നുണ്ട്. പ്രജാസഭയിലും ഇതേ സംഗതിതന്നെ ആവർത്തിച്ചു ഓരോ മാനുവൽ പറയാറുണ്ട്. പത്രങ്ങളും ഇതേ അഭിപ്രായംതന്നെ പുറപ്പെടുവിക്കുന്നു. പൊതുജനങ്ങളും

[Mr. Tariatu Kunjittomman.]

ടെ അഭിപ്രായം പുത്തനായി ഉദ്യോഗം നിവൃത്തിയുള്ളിടത്തോളം സൃഷ്ടിക്കാതെ കഴിക്കണമെന്നും ഉള്ളവരുടെ ശമ്പളംതന്നെ കുറയ്ക്കണമെന്നും ആണ് എന്ന് ഇതിൽനിന്നും മനസ്സിലാകുന്നുണ്ട്. അങ്ങിനെയിരിക്കെ, ആവശ്യമില്ലാതെയുള്ള ഈ ഉദ്യോഗസൃഷ്ടിയെ ശക്തിയോടുകൂടി എത്ര കേണ്ടതാണെന്നു ഞാൻ വിചാരിക്കുന്നു. ആളുകൾക്കുവേണ്ടി ഉദ്യോഗം സൃഷ്ടിക്കുന്ന നയം ആക്ഷേപയോഗ്യമാണെന്ന് ഈ സഭയിൽ പറയാറുള്ള ചില മാന്യന്മാർ തന്നെ ഇപ്പോൾ ഈ ഉദ്യോഗസൃഷ്ടിയെ അനുകൂലിച്ചു സംസാരിച്ചിരിക്കുന്നു. മനുഷ്യർ ഏറെക്കുറെ സാഹചര്യങ്ങളാൽ ബാധിതരാണല്ലോ. റവന്യൂ ഡിപ്പാർട്ടുമെന്റുകാർക്കു തന്നെ ആദായനികുതി സംബന്ധിച്ച ജോലികൾ വഹിക്കാൻ വളരെ സാധിക്കും. റവന്യൂ ഭേദസ്വപം വിഭജനം കഴിച്ച ഒരു റവന്യൂ കമ്മീഷണരെ നിയമിക്കുന്നതിനു മുമ്പു പേഷ്കാരന്മാർ ഇപ്പോഴത്തെ ജോലിക്കുപുറമേ ഭേദസ്വപം വകുപ്പിലെ ജോലികൂടിനോക്കിക്കൊണ്ടിരുന്നു. എന്നാൽ ഇപ്പോൾ ഭേദസ്വപം വകുപ്പു സംബന്ധിച്ച ജോലി പേഷ്കാരന്മാരിൽനിന്നും നിശ്ശേഷം ഒഴിവാക്കിയതിരിക്കുന്നു. അതുപോലെതന്നെ തഹസീൽദാർമാർക്കും, പണ്ട് ഭേദസ്വപം, മജിസ്റ്റീരിയൽ ഈ വകുപ്പുകളിലെ ജോലിയുണ്ടായിരുന്നത് ഇപ്പോൾ അവരിൽനിന്നും വിട്ടുതരിയ്ക്കുന്നു. ഇതുകൊണ്ട് ഇൻകംടാക്സ് ജോലി റവന്യൂ വകുപ്പുകാർക്കു നോക്കുന്നതിനു ധാരാളം സൗകര്യമുണ്ട്. മനസ്സുണ്ടെങ്കിൽ യാതൊരു പ്രയാസവുമില്ല. തഹസീൽദാർമാർക്കും പുറമേ പട്ടണങ്ങളിലാണെങ്കിൽ ആദായനികുതി ഇൻസ്പെക്ടർമാരും ഉണ്ട്. അവരുടെ മേൽനോട്ടംചെയ്യാൻ പേഷ്കാർ റവന്യൂ കമ്മീഷണർ തുടങ്ങിയ ഉദ്യോഗസ്ഥന്മാർക്കു കഴിയും. പൊതുജനങ്ങളിൽനിന്നും പിരിക്കുന്ന പണം അവർക്ക് ആവശ്യമായ, റോഡു, സ്കൂൾ, ആശുപത്രി മുതലായവയ്ക്കുവേണ്ടി വലിയഭാഗവും ചിലവുചെയ്യാതെ അനുവശ്യമായ ഉദ്യോഗങ്ങൾ സൃഷ്ടിച്ചും ശമ്പളം വർദ്ധിപ്പിച്ചും ചിലവാക്കാൻ പാടില്ലെന്നാണ് എന്റെ അഭിപ്രായം. ജനങ്ങൾക്കുപയുക്തമായ രീതിയിൽ തുടങ്ങുന്നതിനു തന്നെ ഒരു വലിയ തുക വേണ്ടിയിരിക്കുന്നു. ഇങ്ങനെയുള്ള കാര്യങ്ങൾക്കു വേണ്ടി ചിലവു ചെയ്യാൻ പണമില്ല. പൊതുജനങ്ങളിൽനിന്നും നികുതിരൂപേണ പിരിക്കുന്ന പണത്താൽ ഒരു വലിയ പങ്കും ഉദ്യോഗസ്ഥന്മാരുടെ ശമ്പളം പടി ഈ വകയ്ക്കായിട്ടു ചിലവാകുകയാണ്. അത് ഇനിയും കൂടുവാൻ പാടില്ല. അതുകൊണ്ടു ഞാൻ ഈ പുതിയ ഉദ്യോഗസൃഷ്ടിയെ എത്രക്കുന്നു. എന്റെ സഹകാരികളും ഇതിൽ യോജിക്കേണ്ടതാണ്. ഒരു പക്ഷെ ഇത് ഈ സഭയിൽ പാസ്സാക്കിയില്ലായിരിക്കാം എങ്കിലും എന്റെ കൃതം ഞാൻ ചെയ്തിരിക്കുന്നു.

൩. ഈ പുതിയ ഉദ്യോഗസ്ഥന്മാർ ഒരു തുകയും അനുവദിക്കാൻ പാടില്ല.

MR. M. SIVATANU PILLAI (Tovala) : Sir, I wish to support the motion brought forward by Mr. Joseph. I understand from the members who oppose the motion that their grounds broadly speaking are under two different heads. One is that this is an experiment. And the other is an apprehension that there is some leakage and that it is imperative to see that no such leakage takes place and that all the revenues that could be obtained from this assessment should be obtained, and if necessary a machinery should be set up.

MR. K. MADHAVAN PILLAI (Trivandrum cum Neduvangad) : Is he aware that in British India they are paying about 10 annas per head and we pay only 2 annas? Does that not suggest the necessity for exploring the sources of revenue?

MR. M. SIVATANU PILLAI (Tovala) : I think the case was met the other day when it was said that the people there get more by way of income than here. When these two things are put side by side, there may be a perfect balance.

MR. K. MADHAVAN PILLAI (Trivandrum cum Neduvangad) : This is another source of revenue which is likely to expand. Is the member aware of it?

MR. M. SIVATANU PILLAI (Tovala) : Yes.

MR. K. P. NILAKANTA PILLAI (Chirayinkki) : Is he aware that there are several millionaire there?

MR. M. SIVATANU PILLAI (Tovala) : Certainly. Our country is purely an agricultural country. There is not much of commercial activity here. The first argument that was advanced by the oppositionists is that this is an experiment. I have been trying to elicit from them their reasons, but I was not able to get any convincing argument. I should think this argument of experiment is only a conjecture. The second argument is that the Government ought to have—

MR. P. K. NARAYANA PILLAI (Ambalapuzha) : What does the member say with reference to the passage quoted by Mr. Piraviperumal Pillai as to what Mr. Robinson said?

MR. M. SIVATANU PILLAI (Tovala) : I will come to that. If you just go back a few years, at the time when the Income Tax Inspectors were appointed there were 7 Inspectors, I speak subject to correction. At that time, the Government found the necessity of reducing the number to three. That itself shows *prima facie* that with three Inspectors the Income Tax Department could be worked very well. Then another argument was—

MR. P. K. NARAYANA PILLAI (Ambalapuzha) : Was not the number of Inspectors subsequently increased?

MR. M. SIVATANU PILLAI (Tovala) : Anyhow, not to that number, as it was originally.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Was it in any way increased at all?

MR. M. SIVATANU PILLAI (*Tovala*): Yes.

With regard to the technical skill that these Inspectors are said to be lacking in, if that be the argument, it is high time that the Government do away with these men who have no technical skill and appoint duly qualified men; so that, that argument cannot hold water for a moment.

MR. V. SUBBA AIYAR (*Nominated*) (*Deputy President*): Do the Income Tax Inspectors deal with cases or only give information?

MR. M. SIVATANU PILLAI (*Tovala*): It is only on the information supplied by the so-called technically qualified men that higher officers proceed to assess income tax. Of course, they only supply arithmetical figures.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): May I know whether he is aware that it is the officer who assesses that goes through the accounts and not the Inspectors?

MR. M. SIVATANU PILLAI (*Tovala*): Then, I do not understand the real duty of the Inspectors. Probably, it is to transport the account books to the firms. If that be the case, they may be done away with as soon as possible. Then, with regard to respectability. Mr. P. K. Narayana Pillai seems to think that respectability goes with salary. I am not prepared to concede to that.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Has salary anything to do with respectability?

MR. M. SIVATANU PILLAI (*Tovala*): Then I do not know how my friend sought to give the interpretation he gave to the word respectability.

Now, coming to the point, Sir, I have been trying to elicit from the members who opposed this motion whether they were aware that the municipalities have already assessed persons to professional tax. If the municipalities have assessed them to professional tax, it is very easy for the Government to assess them to income tax in reference to that. The Municipal Council contains several gentlemen who are representatives of the municipal area with a fair and full knowledge of the people of the same place. They have a good knowledge as to the extent of their commercial activities, their income, etc.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Who is the officer that checks the accounts of the municipal organisations?

MR. M. SIVATANU PILLAI (*Tovala*): Anyhow, they have been doing that; the matter has been working alright.

MR. V. SUBBA AIYAR (*Nominated*) (*Deputy President*): Is the income assessed for professional tax liable to income tax also?

MR. M. SIVATANU PILLAI (*Tovala*): I have been trying to make out that it is very easy to know from this who are liable to be assessed to income tax. If the learned Deputy President will be patient, as he has been all along, I think from my argument he will be able to know how this is possible. The income tax authorities will be able to find out the number of people who are assessed to professional tax. Suppose there are fifty men who are assessed to professional tax by a municipality. The Government can be sure that not more than fifty members will be liable to income tax. From the fifty persons in the municipal area, the Income Tax Inspectors can proceed to find out their income.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): May I know whether the accounts of the municipalities are being checked?

MR. M. SIVATANU PILLAI (*Tovala*): Certainly.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Who checks them?

MR. M. SIVATANU PILLAI (*Tovala*): A small committee appointed by the municipality.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): May I know from the member whether he has brought forward any interpellation in this Council about the irregular working of the Nagercoil Municipality?

MR. M. SIVATANU PILLAI (*Tovala*): It is left to me to bring to the attention of the Government what all things are necessary and what all things are not necessary. To assess income tax, particularly in municipal areas, this officer is not necessary. From the professional tax list maintained by the municipalities, the Government can proceed very easily to find out the persons who are liable to income tax. So, what I wish to point out is this. The Municipal Council members are interested to see that almost all the people within the municipal areas who are liable to professional tax are brought in. From this, the Income Tax Inspectors will be able to find whether a particular person will or will not be liable to income tax.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): May I know from the member whether he can find out who all should be assessed for payment of income tax from the present accounts of the Nagercoil Municipality?

MR. M. SIVATANU PILLAI (*Tovala*): After all, what are the accounts that you have got to deal with? Merchants' accounts and ledgers. If there are defects in these accounts, then it is to the interest of the merchants that these accounts are maintained correctly. But, as a matter of fact, that defect has not been sought to be made as an argument by those members who opposed this motion. They did not say that the present account book are found defective. What are the figures for the current year? From the budget, it will be seen that about Rs. 5,50,000 has been budgeted for. I am speaking subject to correction. I think that estimate could not have been exceeded.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): May I tell the member that the income tax collected from merchants in 1101 is smaller than what was collected in 1100? There was a fall in 1101.

MR. M. SIVATANU PILLAI (*Tovala*): I think that was not due to this.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I know from the member if it was not due to the depression of trade?

MR. M. SIVATANU PILLAI (*Tovala*): That is what I say. It is not due to the defective machinery, but it is due to something else. In short, my argument is this. The major municipalities do not require any special staff and, as I said, there is no warranty for the Government to appoint a special staff for the major municipalities. No case has been made out for the appointment of a special staff. There is not the shadow of a doubt that this officer is unnecessary. So, I support the motion of Mr. Joseph.

MR. G. RAMAN MENON (*Mavelikara cum Kartikapalli*): Sir, I feel it my duty to support the motion brought forward by Mr. Joseph. The reasons that have been given for the creation of this new appointment appear to me to be very flimsy. Mr. P. K. Narayana Pillai has been saying that it is desirable to develop the income tax revenue. As a fact, I find from the figures before me, as well as from the general effect of figures that exist in my memory, that the income tax revenue has been developing rapidly. If my memory is correct, the income tax revenue has increased reasonably. The revenue from that source was at first only about two lakhs. In 1103, it is to be over Rs. 6 lakhs. So, there has been a very reasonable increase and development in that source of revenue in a short period. That reason does not count at all.

Another reason was advanced by my respected friend Mr. Madhavan Pillai. He said that the working of the Revenue Department is unsatisfactory and so it is desirable to relieve the revenue officials of this work. That also does not hold water. The working of the Revenue Department as well as the working of all the departments in the State is unsatisfactory, not because there are not enough men to do the work, but because the officers are not made responsible to the people. (Mr. Sivatanu Pillai: *Hear, hear.*) If my friends had brought forward a motion to that effect, I would have supported that. But, on the other hand, some of the non-officials have been playing into the hands of the bureaucrats and supporting them to increase the number of high-paid Government officers. That is one reason for my supporting the motion.

Another reason is that the proposed appointment of a high-paid officer is not going to relieve the real workers in the Revenue Department who are carrying on income tax work. I know the way in which Government work is being really carried on. In this case, it is carried on mainly by the Proverthikars in the Revenue Department. Even if the Income Tax Collector is appointed, the Proverthikars will have the same amount of work. If, for the income tax

work, new Proverthikars or assessors could be appointed, there would be some reason for the proposal. That is not the proposal now put forward. Here the proposal is to thrust upon the public a new high-paid appointment. To a student of the human mind, the working of the human mind is very devious indeed, and a certain amount of melancholy interest attaches to what has transpired in this connection. I have to support this motion and record my protest that the representatives of the people should not play with the interests of the people. (Mr. A. K. Pillai: *Hear, hear.*) So far as the people are concerned, their outlook ought to be to check at every turn the tendency on the part of officials and the Government to increase the number of high-paid officers and their emoluments. As the reasons advanced for the new appointment are flimsy and as the general principles of State policy conclusively demand that all such demands on the part of an irresponsible Government to increase the number of Government servants should be checked by the representatives of the people, I strongly support the motion of Mr. K. I. Joseph.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Sir, I also support the motion brought forward by my friend Mr. K. I. Joseph. From the speech of the Land Revenue Commissioner, I was not able to understand why the notification issued when the Land Revenue Commissioner was appointed was forgotten. At that time, as a justification for the creation of the post of the Land Revenue Commissioner, it was said that part of his time will be devoted to appellate work. If part of his duty is to be given over to the Special Income Tax Collector, I very much doubt why the post of the Land Revenue Commissioner is necessary.

MR. V. SUBBA AIYAR (*Nominated*) (*Deputy President*): May I ask whether any portion of the duty is taken away from him?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): I will come to that. I am developing my argument to show the uselessness of the appointment.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Does my friend think that the Special Income Tax Collector is proposed to be an appellate authority?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Not over the Income Tax Commissioner. That supports my argument. Now the Government are trying to create one more high-paid appointment, admittedly to remove some latches in the present administration of the Income Tax Department. Sir, the Government will admit that, on account of the recent High Court decision, the Income Tax Department has suffered something like two lakhs of rupees. If the Government were desirous of getting money, why cannot they bring forward a Bill to amend the Income Tax Regulation. Without bringing additional sufferings to the people, the Government could have brought forward an Income Tax Amending Bill and passed it and easily pocketed two lakhs of rupees. Because

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there are some latches in the Income Tax Department, if a new officer is created that will not be in conformity with the request of the people. Therefore, the only argument that I can understand is that our financial condition is very safe and the temptation it offers is the only ground which will justify the creation of this office.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Will the member be so good as to inform the House about the recent High Court decision that he referred to?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): That says that rubber should not be taxed and that Edavagai lands also should not be taxed.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Why not rubber be taxed?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): That is the interpretation that the High Court put as they said that the income was being derived from an agricultural produce. By saying that it is an industrial product, the Government could have got two lakhs of rupees. They could have done that by bringing an Amending Bill. Now, if we compare an acre of land cultivated with rubber with another acre cultivated with paddy, the poor man who cultivates paddy will have to pay the higher rate, while the rubber capitalist becomes, all on a sudden, rich because he has only to pay a small revenue. The man who cultivates paddy is suffering much because of the disparity in the revenue between rubber and paddy. If the Government were earnest about it, they could have brought forward a Bill. So, I also beg to support Mr. Joseph's motion.

MR. K. SIVARAMA PANIKKAR (*Shertallai*): Income tax is a source of revenue that has been recently recognised as such. I believe there are many defects in the working of this institution. This is evident from the reports. The income tax is fluctuating year after year, and that a careful examination of individuals and companies is absolutely necessary to fix the tax of these persons and firms when they are assessed every year. This means a technical knowledge of the special officer or the subordinate officers concerned. Special knowledge therefore or technical skill is absolutely indispensable.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Are not these accounts examined now?

MR. K. SIVARAMA PANIKKAR (*Shertallai*): They are examined and there are defects, and we saw last year that there was a difference of one hundred and five persons.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): May I know whether the member is aware that there are complaints?

MR. K. SIVARAMA PANIKKAR (*Shertallai*): There are complaints. I quite agree with my friend that there are complaints in the matter of assessing. To avoid such complaints in future, a full-time officer, specially devoted to this purpose, is necessary. I do not uphold the

idea of limiting his area to the larger municipalities. He might exercise his control over other places also. Coming as it does from rich persons, income tax ought to be exacted by the Government with greater strictness and stringency because it does not entail any grievance to the man who pays the amount. Therefore, I strongly oppose the motion brought forward by Mr. Joseph and support the opponents.

MR. C. P. THOMAS (*Nominated*): Sir, I would also have opposed any attempt on the part of the Government to increase the amount of high-paid officers if that were done without any necessity. But from what has transpired in the House today, it will be seen that there is a *prima facie* case for the appointment of a Special Income Tax Officer. Income tax is a source of revenue which must be tapped fairly and as far as possible. Now, if a Special Officer is appointed, we expect to find in the end that the appointment of that officer has been instrumental in increasing the revenue from income tax. So, really, the rate-payers and the public are not losers. The Government have said that they are only making an experiment for one year. I think that at the end of the year, we shall be justified in saying that the experiment has proved successful. I trust this will not be continued as an experiment even though it may prove to be a failure at the end of the year. What I say is that the experiment should be tried in such a way that we should be able to see the best results in one year and the Government should as far as possible not ask for an extension of the period.

MR. K. SIVARAMA PANIKKAR (*Shertalai*): Can it not be asked for again if it is a success?

MR. C. P. THOMAS (*Nominated*): If it is a success, there is no necessity for extending the period of experiment, for it can be made permanent if it is found successful.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I ask the member whether he is aware that any experiment that has been tried hitherto has succeeded?

MR. C. P. THOMAS (*Nominated*): I know that some experiments have not succeeded.

MR. M. SIVATANU PILLAI (*Torala*): Does the member find the necessity of an experiment?

MR. C. P. THOMAS (*Nominated*): The necessity has been shown in several of the speeches. It has been said that the resource from income tax has not been fully tapped. Another request that I would make is that, while a high-paid officer is appointed to do this work, it should not actually happen that the work is done by a low-paid officer and the high-paid officer is only doing general supervision. We know what happens generally. It is the low-paid officer that does all the work. I trust that the character of the officer to be appointed will not be complained against in any way.

MR. A. K. PILLAI (*Karunagapalli*): Sir, if we take all what has been said here to be quite true, I do not think the conclusions that have been

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drawn do necessarily follow. I accept the premise advanced by my friend Mr. P. K. Narayana Pillai and others that there is a good deal of scope for developing income tax and also that there is a good deal of inefficiency and laxity in the management of that section at present. If we are to be persuaded by this argument of inefficiency on the part of the department for allowing more hands for that department, then, I think we are easily called upon to vote a premium on all sorts of inefficiency. (Mr. M. Sivathanu Pillai: *Hear, hear.*) My friend Mr. Piraviperumal Pillai has quoted Mr. Robinson. I think the very same passage is in our support. What Mr. Robinson says is this:

"This matter of providing one extra trained clerk in each Dewan Peishkar's office has been urged by the other side of the House itself. Since the reorganisation of the department, the Dewan Peishkars and the Commissioner, Devicolum, were only able to spare, for the time being, one clerk for each of Income Tax Officers. The members of this staff, besides their work of maintaining up-to-date registers, have to attend to the general correspondence,—and that is very huge—to the issue of notices under the Income Tax Regulation, notices for the return of income, notices for the production of accounts, etc."

So, it has been argued not for the creation of a Special Officer to deal with income tax but for clerks.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): May I know from the member whether there was any idea of appointing a Special Officer then?

MR. A. K. PILLAI (*Karunagapalli*): No, Mr. Robinson's demand was for a certain number of clerks for each Division Peishkar's office. But now the demand is not only for a number of clerks but also for a big officer. So a big officer and a big staff is now demanded on the plea that a number of clerks were then demanded.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Will the member be pleased to state why the clerks were demanded by Mr. Robinson then?

MR. A. K. PILLAI (*Karunagapalli*): It is clear. It is evident from this sentence:

"The members of this staff, besides their work of maintaining up-to-date registers, have to attend to the general correspondence,—and that is very huge—to the issue of notices under the Income Tax Regulation, notices for the return of income, notices for the production of accounts, etc."

So, he then demanded that there must be at least one more clerk for each Division office to attend to the income tax subject. I want to know from my friends on this side whether they are demanding now only for clerks or whether they also want a big Special Officer. The Special Officer now contemplated is to do the Income Tax Collector's business. In 1097, when the post of Land Revenue and Income Tax Commissioner was created, we were given to understand that that office was considered necessary for the purpose of relieving the Peishkars from much of the work of collection of income tax. We are now going to have a big officer and a big staff and that is asked for on the ground that they are not able to cope with the work. That is to say they

are inefficient. As I said, if we are to vote a premium on inefficiency, we will have to vote for it in every department. But are you going to vote for it? That is exactly the question I put to my friends. Mr. Krishna Pillai on the other side said that, in Mysore, there is a Special Officer. But let me tell him that they are only quoting figures which are very convenient to them. May I say that in Japan, which has to attend to international affairs, the Premier is getting only Rs. 1,500.

MR. M. SIVATANU PILLAI (Tovala): May I ask my friend if that country is not a self-governing country?

MR. A. K. PILLAI (Karunagapalli): Yes. The official side is conveniently quoting figures. That is what I object to.

MR. K. SIVARAMA PANIKKAR (Shertallai): May I ask Mr. A. K. Pillai when this income tax revenue was first introduced?

MR. A. K. PILLAI (Karunagapalli): In 1097.

MR. K. SIVARAMA PANIKKAR (Shertallai): Has not the revenue from income tax increased from what it was in 1097?

MR. A. K. PILLAI (Karunagapalli): Yes.

MR. K. SIVARAMA PANIKKAR (Shertallai): Is he therefore of opinion that the staff should continue as it was originally?

MR. A. K. PILLAI (Karunagapalli): The staff may be increased. The Government may bring a demand for an increased staff and show reasons for that.

MR. K. SIVARAMA PANIKKAR (Shertallai): Is the member of opinion that he will allow a demand for an increase in staff?

MR. A. K. PILLAI (Karunagapalli): Yes, if necessary. But the demand for a clerk here or a clerk there is not the same as the demand for a big officer. Even now, the collection of revenue is very large. Last year, they collected forty-two lakhs of rupees under land revenue and spent about eleven lakhs. If you follow the comparison of commercial firms who cannot be supposed to have the same patriotism and public responsibility as a Government—they are spending only ten per cent. Here we are spending about twenty-five per cent. for collecting revenue. If you follow the analogy of the commercial firms, it is only something like sending out agents for collecting revenue. I think this expenditure on the revenue department shows a very unsatisfactory state of affairs.

MR. P. K. NARAYANA PILLAI (Ambalapuzha): May I know from the member if the Special Officer is able to realise the exact income tax, he will concede the necessity for the appointment?

MR. A. K. PILLAI (Karunagapalli): I am not prepared to concede that on a bargain level. I want to look at the question from a larger point of view. Are you prepared to function strongly? Are you prepared to function efficiently and ably? If you are for that, I think this proposal cannot be allowed.

I demand efficiency of work, in the discharge of their duties. If they cannot do so, I say they must say good-bye. It is a fact which

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has to be borne in mind that about 25 per cent. of the amount collected is spent on the collecting agency. Therefore, on principle, I believe I should very strongly support the motion.

MR. C. KERALAVARMA KOILTAMPURAN (Edavagai): സർ, ഈ ഉപക്ഷേപത്തെ ഞാൻ അനുകൂലിച്ചുകൊള്ളുന്നു. പുത്തനായിട്ട് ഏതെങ്കിലും ഉദ്യോഗം സൃഷ്ടിക്കുമ്പോൾ അതിലേക്കു തക്കതായ ആവശ്യം വല്ലതുമുണ്ടോ എന്നാലോചിക്കേണ്ടതാണ്. ഇപ്പോൾ നൂതനമായി സൃഷ്ടിക്കാൻ വിചാരിക്കുന്ന ഉദ്യോഗം ആവശ്യമുണ്ടെന്ന് എനിക്കു തോന്നുന്നില്ല. ഒരു ഉദ്യോഗം പുത്തനായി സൃഷ്ടിക്കുന്നത് ആവശ്യമാണെന്നു കാണുമ്പോൾ സൃഷ്ടിക്കുകയും, ആവശ്യമില്ലെന്നു കാണുമ്പോൾ അതു നിർത്തുകയും ചെയ്യുന്ന നയം ഗവർണ്മെന്റു സ്വീകരിച്ചിരുന്നു എങ്കിൽ വിരോധമില്ലായിരുന്നു. ഒരിക്കൽ ഒരു ഉദ്യോഗം സൃഷ്ടിച്ചുപോയാൽ പിന്നെ ആവശ്യമില്ലെന്നു തോന്നിയാൽ താനും നിർത്തുന്നപതിവില്ല. എന്നുമാത്രമല്ല പുത്തനായ ഒരു ഉദ്യോഗം സൃഷ്ടിക്കണമെന്നു നിർദ്ദേശിക്കയാണെങ്കിൽ അതിനുള്ള കാരണവും സ്പഷ്ടമായിട്ടു കാണിക്കണം. റവന്യൂ ഡിപ്പാർട്ട്മെന്റുകാരെക്കൊണ്ട് ആദായനികുതി ശരിയായിട്ടു ഇപ്പോൾ പിരിച്ചുകൊണ്ടിട്ടു എന്നു തോന്നുന്നപക്ഷം കുറെക്കൂടി നിഷ്കഷിച്ച് അവരെക്കൊണ്ടു ആജോലി നിവഹിപ്പിക്കാൻ വേണ്ട ഏർപ്പാടുകൾ ചെയ്യുകയാണു വേണ്ടത്.

MR. P. K. NARAYANA PILLAI (Ambalapuzha): ഇടവകയിൽനിന്നും ആദായനികുതി കൊടുക്കുന്നുണ്ടോ?

MR. C. KERALAVARMA KOILTAMPURAN (Edavagai): ഇപ്പോൾ പിരിച്ചുവരുന്നുണ്ട്.

MR. P. K. NARAYANA PILLAI (Ambalapuzha): അതിനു വല്ല തക്കവും ഉണ്ടോ?

MR. C. KERALAVARMA KOILTAMPURAN (Edavagai): വളരെ, വളരെ തക്കം ഉണ്ട്. അത് ഇവിടെത്തന്നെ പലപ്പോഴും പറഞ്ഞിട്ടുണ്ട്. എന്നാൽ അതുകൊണ്ട് ഒരു ഫലവും ഒണ്ടാകാത്തതുകൊണ്ട് റോയിട്ടെ പറയാറില്ല. ഇപ്പോഴും എനിക്കു പറഞ്ഞാൽ കൊള്ളാമെന്നു വളരെ മോഹമുണ്ട്. പക്ഷേ ഫലമില്ലല്ലോ എന്നു വിചാരിച്ച് അടങ്ങുന്നു.

അതുകൊണ്ട് റോ ആദായനികുതി പിരിക്കുന്ന ജോലി റവന്യൂ ഡിപ്പാർട്ട്മെന്റുകാരെക്കൊണ്ടുതന്നെ നിഷ്കർഷിച്ചു വഹിപ്പിക്കണം. അതിലേക്കു ധാരാളം കാരണങ്ങളുണ്ട്. പണ്ടു റവന്യൂ ഡിപ്പാർട്ട്മെന്റുകാ

കുറവു വളരെ ജോലി ഉണ്ടായിരുന്നു. എന്നാൽ മിസ്റ്റർ കഞ്ഞുത്തൊമ്മൻ പറഞ്ഞതുപോലെ റവന്യൂദേവസ്വം വിഭജനം കഴിഞ്ഞതിൽ പിന്നീട് റവന്യൂഡിപ്പാർട്ടുമെന്റുകാരുടെ ജോലിക്കു വളരെ കുറവുവന്നിട്ടുണ്ട്. മജിസ്റ്റീരിയൽജോലിയിൽ നിന്നും പല തഹശീൽദാർമാരെയും ഒഴിയിച്ചിട്ടുണ്ട്.

MR. K. MADHAVAN PILLAI (*Trivandrum cum Neduvangad*): ജോലി വളരെ കുറവായിട്ടും റവന്യൂഡിപ്പാർട്ടുമെന്റിൽ കടിശ്ശികയില്ലേ?

MR. C. KERALAVARMA KOILTAMPURAN (*Edavagai*): കടിശ്ശിക ധാരാളം ഒട്ടും. പോക്കുവരവു കേസുകളും മറ്റും ധാരാളം കടിശ്ശികയായിട്ടു കിടക്കുന്നുണ്ടെന്ന് എനിക്കറിയാം. എന്നാൽ ആ കടിശ്ശിക വന്നത് ആ ഭായനികതി വകുപ്പിലെ ജോലികൂടി വഹിക്കുന്നതുകൊണ്ടാണെന്നു തെളിയിച്ചാൽ മാത്രമേ ആ വകുപ്പു റവന്യൂവിൽനിന്നും ഏടുക്കേണ്ട ആവശ്യമുള്ളൂ. (Mr. M. Sivatanu Pillai: *Hear, hear.*)

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): ഇപ്പോൾ മൂന്നു പേർ പ്ലോറന്റാർ ജെജിൽ ഒരു പേർ പ്ലോറന്റാർ മറ്റു രണ്ടു പേർ പ്ലോറന്റാർക്കാരെ കൂടുതൽ ജോലി ചെയ്യുന്നുണ്ടെന്നു മെമ്പർ ഭരണറിപ്പോർട്ടിൽ കണ്ടിട്ടുണ്ടോ?

MR. C. KERALAVARMA KOILTAMPURAN (*Edavagai*): ആ ഭാഗം ഞാൻ അത്ര നോക്കിയിട്ടില്ല.

ഇനി റം പുതിയ ഉദ്യോഗസ്ഥിയിൽ ചെറുതായ വേറെ ഒരു തടസ്സം കൂടിയിട്ടുണ്ട്. അതായത് ഇപ്പോഴുള്ള ഉദ്യോഗങ്ങൾക്കുതന്നെ ധാരാളം വഴക്കുള്ള സ്ഥിതിയ്ക്കു റം പുതിയ ഉദ്യോഗംകൂടി സൃഷ്ടിക്കുമ്പോൾ കുറെക്കൂടി വഴക്കിന് ഇടയാക്കുകയില്ലേ എന്നുള്ളതാണ്.

MR. TARIATU KUNJITOMMAN (*Muvattupuzha cum Todupuzha*): ധാരാളം ഉദ്യോഗമുള്ളവർക്കുതന്നെ കൊടുത്താൽ വഴക്കു നിടയുണ്ടോ?

MR. C. KERALAVARMA KOILTAMPURAN (*Edavagai*): എന്നാലും വഴക്കു വന്നുകൊണ്ടുതന്നെയിരിക്കും. ഏതായാലും, റം വഴക്കിനെ വേരോടെ നശിപ്പിക്കണം. ഇതു വളരെ നന്നായ സംഗതിയാണെങ്കിലും അതിനെ വളരെ വലുതാക്കി ഓരോരുത്തരും വാദിച്ചു വരുന്നുണ്ട്.

MR. M. SIVATANU PILLAI (*Tovaru*): വഴക്കുണ്ടാകുമെന്നുള്ള പേടി കൊണ്ടാണോ മെമ്പർ റം മോഷനെ പിൻതാങ്ങുന്നത്?

MR. C. KERALAVARMA KOILTAMPURAN (*Edavagai*): അതുമാത്രമല്ല. എനിക്കിതിൽ പേടിക്കാനും ഒന്നുമില്ല. എന്റെ പ്രധാനകാരണങ്ങൾ മുന്തിർപറഞ്ഞല്ലോ. അതായത്, അനുവശമായ ചിലവു

[Mr. C. Keralavarma Koiltampuran.]

രാജ്യത്തു വരുത്താൻ പാടില്ലെന്നുള്ള ഉദ്ദേശത്തോടുകൂടിയാണ് ഈ മോഷനെ പിൻതാങ്ങുന്നത്.

MR. M. SUBRAHMANYA PILLAI (*Agastisvaram*): Sir, before the passing of the Income Tax Regulation, the work of revenue collection was being carried on by the three Dewan Peishkars and the Commissioner, Devicolam. The necessity for a common head of the Revenue Department was not then felt. But, subsequently, when the Income Tax Regulation was passed and income tax began to be levied, it was felt that there must be a common head to supervise the work of the Peishkars and the Commissioner, Devicolam.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I tell the member that the other members are aware of these facts?

MR. M. SUBRAHMANYA PILLAI (*Agastisvaram*): I do not know that. So, I am saying that a common head was then appointed to see that the different Peishkars do not arrive at different decisions in the interpretation of the Income Tax Regulation. Now, the Government are going to appoint a Special Officer and, by doing so, I think a major portion of the work of the Revenue Commissioner would be transferred to the new Special Officer. I think income tax work in Travancore is generally in the municipal areas only and not in mofussil areas. So, there is little income tax work in the mofussil. Under these circumstances, we are going to have one more officer, almost a head of a department and I therefore think the Revenue Commissioner becomes superfluous. So, I think this additional officer, apart from the Revenue Commissioner, is not necessary under the circumstances and hence I support the motion of Mr. Joseph.

MR. C. P. TARAKAN (*Kunnatnad*): I move that the question be now put.

MR. K. K. THOMAS (*Kottayam*): I second it.

The motion was put and carried.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): I have been closely attending to the arguments advanced by the members on this side of the House as well as the reply given by the Income Tax Commissioner. So far as I was able to understand, his chief objection seems to be that the Dewan Peishkars and the Division Assistants are being overworked. But, in making that statement, neither himself nor Mr. Subba Aiyar who agreed with him in his view tried to substantiate it. The only fact mentioned is that they have to attend to magisterial work also. If this is really an obstruction to their revenue work, the best way to deal with the question is by taking away their magisterial powers rather than appointing a Special Income Tax Collector. The question of separation of magisterial powers from these executive officers is one that was brought before the attention of the Government on several occasions. But the Government have not been doing what was required in that matter. So, if this is the chief objection against the

motion, I would suggest that the best way to deal with it is to take away the magisterial powers from them. I do not think there was any other substantial argument raised against the motion. Mr. P. K. Narayana Pillai in his naturally humorous way has put in certain remarks and I do not think there is anything worth noticing except his statement that the officer to be appointed should be one of sufficiently higher grade that he may be above all temptations. I may say the question of temptation depends more or less on the character of the person rather than on the post.

MR. W. H. PITT (*Commissioner of Police*): Did not Mr. P. K. Narayana Pillai say that persons whose income is more than Rs. 167 are generally dishonest?

MR. K. I. JOSEPH (*Minachil cum Devicolam*): I did not exactly follow the member.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Did Mr. P. K. Narayana Pillai make a statement of that sort as suggested by Mr. Pitt?

MR. A. K. PILLAI (*Karunagapalli*): We were able to understand neither the question nor the answer.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): As I already said, I did not follow him, and so I am not in a position to answer him. I did not feel there was much worth noticing in his arguments. I may also say that I made the motion on this question with some diffidence. First of all, when Mr. Kallur Narayana Pillai who had sent in a motion on this specific matter did not move it, I thought himself and perhaps others with him may have changed their views after sending the notice of motion. Anyhow, I am satisfied to see that there are at least a few members who view the matter as I view it.

MR. M. SIVATANU PILLAI (*Tovala*): Is the member aware that Mr. Tarakan did not move his motion on the Karkad road?

MR. K. I. JOSEPH (*Minachil cum Devicolam*): I do not exactly remember, Sir, and I do not wish my memory to be keen on such matters. I may say even supposing an officer is found to be necessary, he need not be such a high-paid officer. An officer of the status of the Division Assistant, I believe, is quite sufficient.

MR. K. MADHAVAN PILLAI (*Trivandrum cum Neduvangad*): Should he not have special qualifications?

MR. K. I. JOSEPH (*Minachil cum Devicolam*): I think the present officers are doing their work without any special qualifications. If that is so, I think this particular individual also need not have any special qualifications.

MR. K. MADHAVAN PILLAI (*Trivandrum cum Neduvangad*): Is it not a reason that the work is not being properly attended to?

MR. K. I. JOSEPH (*Minachil cum Devicolam*): I do not think that there has been any allegation that the work is not being properly done. I may also state that the Commissioner in his reply has admitted that there were no recommendations from the Dewan Peishkars or the Division Assistants as to the heaviness of their work.

MR. M. SIVATANU PILLAI (*Tovāla*): Am I to understand from the member that it is because of want of more attention or absence of technical qualifications that the work is not properly done?

MR. K. I. JOSEPH (*Minachil cum Devicolam*): As I stated, if a man is to be appointed, he should be a qualified man, but I don't think that any special qualifications are required.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Does the member press the motion?

MR. K. I. JOSEPH (*Minachil cum Devicolam*): I have already said that I am not satisfied with the arguments advanced against it and that means what it means.

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Sir, I have nothing to add to what I have stated about the necessity for a special officer. However, I wish to remove two misconceptions that some members have with regard to the nature of the work that the special officer has to do. Some members stated that there is no necessity for an Income Tax Commissioner if a special officer is to be appointed. I say that the duties of the two are quite different.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Will not the work of the Land Revenue Commissioner be considerably reduced?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): No, certainly not. But on the other hand, the work of the Income Tax Commissioner will be increased as appeals from the special officer have to go to the Commissioner.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Will this appointment relieve the Peishkars of some of their work?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Yes, to some extent.

Mr. Sivatanu Pillai said that there was no necessity for a special officer when there are a number of Inspectors. The functions of these two officers are different. The Income Tax Inspector is an investigating officer. You may as well say that, as there are Police Inspectors, Magistrates need not be appointed. The Collector is a judicial officer and the Inspector is an investigating officer.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): May I know whether the relation between the Magistrates and the Police is the same as the relation between the Collector and the Inspector?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Yes, to some extent.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): Has the Collector any appellate powers?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): He has only original powers.

MR. K. MADHAVAN PILLAI (*Trivandrum cum Neduvangad*): Will the learned Commissioner say that the qualification of the Dewan Peishkars is quite sufficient for the post now to be created?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): That has to be considered by the Government.

The motion was put to the vote and lost.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): I demand a poll.

PRESIDENT: Will those who are in favour of the motion stand up?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): I rise to a point of order. Mr. C. P. Thomas was not here when votes were taken. I beg to know whether he can vote now as there has been a ruling by the Deputy President before that a member who was absent at the time of taking votes will not be allowed to vote at the time of taking a poll.

MR. V. SUBBA AIYAR (*Nominated*) (*Deputy President*): It think it was a case when a member wanted to vote after the result had been declared.

AYES—12

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| 1. Mr. C. Kerala Varma Koil Tampuran. | 7. Mr. K. K. Thomas. |
| 2. „ K. I. Joseph. | 8. „ C. P. Tarakan. |
| 3. „ Tariatu Kunjitomman. | 9. „ A. K. Pillai. |
| 4. „ X. G. Lopez. | 10. „ M. Sivatanu Pillai. |
| 5. „ G. Raman Menon. | 11. „ M. Subrahmanya Pillai. |
| 6. „ K. P. Nilakanta Pillai. | 12. „ S. Subrahmanya Karayalar. |

NOES—28.

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| 1. Mr. C. P. Kochukunju Pillai. | 16. Mr. K. George. |
| 2. „ N. V. Joseph. | 17. „ P. N. Krishna Pillai. |
| 3. „ N. Kumaran. | 18. „ R. Krishna Pillai. |
| 4. „ T. Kumara Pillai. | 19. Dr. N. Kunjan Pillai. |
| 5. „ Kurandipallil R. Raman Pillai. | 20. Mr. Kayalam Paramesvaran Pillai. |
| 6. „ S. Piraviperumal Pillai. | 21. „ W. H. Pitt. |
| 7. „ K. Sivarama Panikkar. | 22. Mrs. M. Poonen Lukose. |
| 8. „ L. A. Lampard. | 23. Mr. T. P. Ramasubba Aiyar. |
| 9. „ K. Madhavan Pillai. | 24. „ K. N. Ramasubba Aiyar. |
| 10. „ V. Subba Aiyar. | 25. Rao Bahadur Mr. K. V. Rengaswami Aiyangar. |
| 11. „ P. K. Narayana Pillai. | 26. Mr. J. Stephenson. |
| 12. „ M. N. Pillai. | 27. „ A. J. Van Ross. |
| 13. „ C. P. Thomas. | 28. „ A. Vipan. |
| 14. „ I. C. Chacko. | |
| 15. „ R. Dhanukoti Pillai. | |

NEUTRALS—4.

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| 1. Mr. Paul Daniel. | 3. Mr. R. Padmanabhan. |
| 2. „ P. Habeeb Mahomed. | 4. „ Kallur Narayana Pillai. |

The motion was lost.

[Mr. V. Subba Aiyar.]

Motions 182 and 183.

The following motions were not moved as they were identical:—

MR. T. J. MATTHEW :

182. To omit the allotment of Rs. 5,412 for establishment of the Special Income Tax Collector's office.

MR. G. NARAYANA PILLAI :

183. To omit the allotment of Rs. 5,412, for establishment of the Special Income Tax Collector's office.

Motion 178.

MR. T. KUMARA PILLAI (*Kalkulam cum Vilavankod*) : Sir, I beg to move the following motion :—

178. To reduce the allotment of Rs. 5,412 for establishment of the Special Income Tax Collector's office by Rs. 770.

ഇൻകംടാക്സ് കലക്ടറുടെ ഓഫീസിനുള്ള ഒരു ഫെഡ്ക്ലാർക്ക് നാലു ക്ലാർക്ക് ആവശ്യമുണ്ടെന്നാണ് നിദ്ദേശിച്ചിരിക്കുന്നത്. ഇതിൽ ആറു ക്ലാർക്ക്മാർ ൪൦ രൂപ മുതൽ ൭൦ രൂപ വരെ ശമ്പളം നിശ്ചയിച്ചിരിക്കുന്നു. അതു വളരെ കൂടുതലാണ്. ഡിവിഷൻ കച്ചേരിയിലും, റവന്യൂ കമ്മീഷണറുടെ ഓഫീസിലും ഉള്ള ക്ലാർക്ക്മാരെക്കാൾ ഉപരിയായിട്ടാണ് ഈ ശമ്പളം നിശ്ചയിച്ചിരിക്കുന്നത്.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*) : നാലുപേർക്കും ജോലി ഉണ്ടായിരുന്നാലോ?

MR. T. KUMARA PILLAI (*Kalkulam cum Vilavankod*) : ആളിനെ കുറയ്ക്കണമെന്നല്ല പറയുന്നത്. അവർക്ക് നിശ്ചയിച്ചിട്ടുള്ള ശമ്പളം കുറയ്ക്കണമെന്നാണ് ഞാൻ പറയുന്നത്.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*) : ശമ്പളം കുറച്ചാൽ "സ്റ്റാറ്റസ്" കുറയുകയില്ലയോ?

MR. T. KUMARA PILLAI (*Kalkulam cum Vilavankod*) : എന്റെ പ്രസംഗം മുഴുവനും കേൾക്കുമ്പോൾ വ്യക്തമാകും. ധൃതിവെച്ചാൽ നിവൃത്തിയില്ല.

MR. A. K. PILLAI (*Karunagapalli*) : I rise to a point of order whether putting of questions is included in speech-making and whether the rules that regulate the speech should regulate the putting of questions also?

PRESIDENT : By whom?

MR. A. K. PILLAI (*Karunagapalli*) : By one member to another member.

PRESIDENT : They can put questions for the purpose of eliciting information provided they do not abuse that privilege.

MR. A. K. PILLAI (*Karunagapallu*): I am talking in regard to the language to be used. We are expected to speak in a particular language.

PRESIDENT: The general rule is that when a member has definitely elected to speak in a particular language, he will continue to use that language throughout.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Does the rule apply to asking of questions also?

PRESIDENT: It is merely a matter of expressing himself to the House. If the member expresses himself in English, he must do so always.

MR. K. I. JOSEPH (*Minachil cum Devicolum*): Should it be in English if the question is put to a member who does not know English?

PRESIDENT: Yes.

MR. T. KUMARA PILLAI (*Kulkulam cum Vilavankod*): ചോദ്യം ചോദിക്കാൻ ഏതുമെമ്പരിനും അവകാശമുണ്ടെന്നല്ലാതെ ഉത്തരം പറയാനുള്ള അധികാരമുണ്ടെന്നു ഞാൻ വിചാരിക്കുന്നില്ല.

ആദ്യ ക്ലാക്കന്മാരെ നിയമിക്കാൻ നിർദ്ദേശിച്ചിട്ടുള്ളതു ൨ പേർക്കു ൨൦ രൂപാ മുതൽ ൩൦ രൂപാ വരെയും, രണ്ടുപേർക്കു ൨൫ രൂപാ മുതൽ ൪൦ രൂപാ വരെയും, ൨ പേർക്കു ൪൦ രൂപാ മുതൽ ൧൦൦ രൂപാ വരെയും ശമ്പളം നൽകി നിയമിക്കുന്നതു നന്നായിരിക്കുമെന്നു ഞാൻ അഭിപ്രായപ്പെടുന്നു.

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Sir, I accept the motion of Mr. T. Kumara Pillai.

MR. T. KUMARA PILLAI (*Kalkulam cum Vilavankod*): I withdraw my motion.

The motion was, by leave, withdrawn.

Motion 184.

The following motion was deemed not to have been moved as the member was absent:—

MR. T. J. MATTHEW:

184. To reduce the allotment of Rs. 5,412 for establishment of the Special Income Tax Collector's office by Re. 1.

Motion 185.

The following motion was not made:—

MR. P. HABEEB MAHOMED:

185. To reduce the allotment of Rs. 5,412 for establishment of the Special Income Tax Collector's office by Rs. 10.

Motion 186.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): Sir, I beg to move the following motion:—

186. To omit the allotment of Rs. 100 for Law charges.

Sir, on principle, I object to this grant. The question of engaging vakils and paying them for income tax cases has been discussed

[Mr. S. Piraviperumal Pillai.]

threadbare on the floor of this House and the Government have accepted the principle of not paying them. It was in 1100 that a sum of Rs. 1,000 was provided in the budget for paying vakils and the same was not granted by the Council. Later on, in 1101, when Mr. Robinson came for a supplementary grant of Rs. 100 to pay two vakils who had been engaged, that was also not granted by this Council. When the budget for 1102 was considered by the Finance Committee, this point came up for discussion and this is what the minutes say :—

The next proposal related to a provision of a sum of Rs. 100 in the budget for 1102 under 2—Taxes on Income—for the payment of remuneration to two Assistant Head Sirkar Vakils who had, under the orders of Government, conducted two important and intricate income tax cases on behalf of the Government before the Income Tax Commissioner. Mr. Changanachery K. Paramesvaran Pillai objected to the provision, on principle, it having been once vetoed by the Legislative Council; but Mr. Paramesvaran Pillai subsequently withdrew his objection when he was told that the Government had accepted the principle not to pay them for such work in future and that the provision was intended only to redeem the pledge made by the Government.

Since the Government has accepted the principle, I do not see the reason why this amount has been included in the budget for that purpose.

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): The amount is not for payment to vakils. This is a small sum provided in the budget with a view to meet any expenses resulting from the decision of the High Court on income tax cases referred to them under Section 50 of the Income Tax Regulation.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): May I know the nature of the expenditure under contemplation?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): The court costs, as the High Court may decree costs to be paid by the Government.

Seven cases have been referred to the High Court in 1101 and one case in 1102, and the opinion of the High Court in regard to none of these has yet been received. The small provision now made in the budget is intended to pay the costs which the High Court may decree.

MR. K. I. JOSEPH (*Minachil cum Devicolam*): If this amount is intended for payment of costs, does the Land Revenue Commissioner think that this small sum of Rs. 100 would be sufficient for that purpose?

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): We do not know now what exactly we may have to pay, or whether we will have to pay at all. A small sum has been provided to meet the contingency. That is all.

MR. S. PIRAVIPERUMAL PILLAI (*Commerce and Industry, South*): Sir, if an explanatory note had been added on to this provision in the

budget, I would not have sent in this motion. But now, as I understand from the Land Revenue Commissioner that this is not intended for the payment of Vakils, I withdraw the motion.

The motion was, by leave, withdrawn.

Motion 187.

The following motion was not made :

MR. K. I. JOSEPH :

187. To reduce the allotment of Rs. 23 lakh under Demand IV by Rs. 10,000.

Motion 188.

The following motion was deemed not to have been moved as the member was absent :

MR. T. J. MATTHEW :

188. To reduce the allotment of Rs. 23 lakh under Demand IV by Rs. 1.

Motion 189.

The following motion was not made :

MR. K. P. NILAKANTA PILLAI :

189. To reduce the allotment of Rs. 23 lakh under Demand IV by Rs. 100.

Motion 190.

MR. S. SUBRAHMANYA KARAYALAR (*Pattanapuram cum Shencotta*) : Sir, I beg to make the following motion ; —

190. To reduce the allotment of Rs. 23 lakh under Demand IV by Rs. 100.

The object of this motion is to draw the attention of the Government to the unsatisfactory manner in which assessments to income tax are made by assessing officers. Sir, income tax officers are expected to be judicial officers in proceedings relating to assessments to income tax. But, as a matter of fact, they generally do not conduct themselves as judicial officers. Assessments are made arbitrarily and in violation of the ordinary principles of judicial procedure. For instance, there are instances in which sources of income, not indicated or admitted by the assessee, have been assumed to exist and assessments made on that basis, without giving the assessee an opportunity of showing cause against the inclusion of income from such sources. Sir, this state of things is unsatisfactory and ought not to exist.

Again, Income Tax Officers, in their anxiety to make up the budgetted revenue, do not hesitate to make assessments in an arbitrary manner. An Income Tax Officer, in fact, told me that he wanted only a loophole to assess a person to income tax. Sir, this is not the judicial frame of mind expected of an Income Tax Officer.

Then, again, Income Tax Officers freely serve persons with "D. Form" notices without making an enquiry as to whether such persons have any sources of income or whether they have any assessable income, and call upon them to produce their accounts. Sir, it must be within the knowledge of the Government that a considerable section of the people do not keep accounts, mostly because they do not do any business or

[Mr. S. Subrahmanya Karayalar.]

because they have no assessable income. The non-production of accounts in such cases is sufficient for the Income Tax Officer to assess the person concerned to income tax. This sort of assessment works serious hardship on a large percentage of assesseees who have in fact no assessable income.

Finally, I have to draw the attention of the Government to the fact that income derived by a person from a property or a source of income in British India is tacitly assumed by the assessing officers to have been received in Travancore and is assessed to income tax. Sir, I do not dispute the position that such income is liable to income tax in Travancore. But my objection is that such income is not liable to be taxed unless it is actually received in Travancore. Income Tax Officers in Travancore ignore this position and include such income for income tax purposes without enquiring whether such income has been received in Travancore. Sir, in my constituency which borders on British territory, the practice works serious hardship. I request that the Government will look into this question and remedy the evil.

MR. R. KRISHNA PILLAI (*Ag. Land Revenue and Income Tax Commissioner*): Sir, the charges made by Mr. Karayalar against Income Tax Officers are vague and indefinite. It is not possible therefore to refute them. Anyhow, a special Income Tax Collector is to be appointed and, I believe, when he functions, the irregularities stated by Mr. Karayalar are not likely to occur as he will be in charge of the assessments yielding about 75 per cent. of the total income tax revenue.

MR. S. SUBRAHMANYA KARAYALAR (*Pattanapuram cum Shencotta*): On the assurance given by the Income Tax Commissioner, I withdraw the motion.

The motion was, by leave, withdrawn.

Motion 191.

The following motion was not made:

MR. S. PIRAVIPERUMAL PILLAI:

191. To reduce the allotment of Rs. 23 lakh under Demand IV by Rs. 100.

PRESIDENT: I now put to the vote of the House Demand IV—Taxes on Income—for a grant of Rs. 23 lakh *minus* Rs. 770, the reduction of which the Government accepted on the motion of Mr. Kumara Pillai.

The grant was made.

DEMAND V—EXCISE DEPARTMENT—Rs. 6.18 LAKHS.

MR. A. J. VAN ROSS (*Excise Commissioner*): Sir, I rise to move for a grant not exceeding Rs. 6.18 lakhs under Demand V—Excise Department.